

PAID POLICE GRAFT 5 YEARS, TWO SWEAR

GRAND JURY CALLS FOR WRIGHT'S DISMISSAL

WEATHER—Rain to-night; clear Thursday; colder.

NIGHT
EDITION.

The



World.

WEATHER—Rain to-night; clear Thursday; colder.

NIGHT
EDITION.

"Circulation Books Open to All."

"Circulation Books Open to All."

PRICE ONE CENT.

Copyright, 1912, by The Press Publishing Co. (The New York World).

NEW YORK, WEDNESDAY, DECEMBER 18, 1912.

28 PAGES

PRICE ONE CENT.

MORGAN ON WITNESS STAND DEFENDS HIS DEALINGS WITH BIG CORPORATIONS

Believes It Right for Concerns
"Owned by People" to De-
posit in Private Banks.

HIS N. Y. CENTRAL SWAY.

Proper to Issue Securities of
Road If Terms Are Agreed
Upon—Money Trust Power.

WASHINGTON, Dec. 18.—J. Pierpont Morgan took the stand before the House Money Trust Committee at 2:40 o'clock this afternoon. Samuel Untermyer, counsel for the committee, immediately began his examination.

The financier was sworn by Chairman Pujo standing with his right hand upraised. Mr. Morgan, in response to the usual qualifying questions, said he was a banker in New York City.

"Are you a member of a Philadelphia firm?" asked Mr. Untermyer. "Well, that's the same firm," answered Mr. Morgan.

"A Paris house?" "They are all the same house. The firm is in New York with branches in Philadelphia, Paris and London," said Mr. Morgan.

"Who are the members of the firm?" Mr. Morgan furnished the following list: J. P. Morgan, H. P. Davidson, W. P. Hamilton, T. W. Lamont, H. P. Lloyd, J. P. Morgan Jr., A. A. Newbold, William H. Porter, Charles Steele, E. T. Stotesbury and Temple Baldwin. Mr. Morgan said the same partners were in all the houses.

"Only my desire to help Mr. Drexel's name in the Philadelphia house prevents all of the houses having the same name," said Mr. Morgan.

"TRIES TO DO A GENERAL BANKING BUSINESS." "Do you do a general banking business in New York?"

"We try to." Mr. Morgan explained that his firm did not belong to the Clearing House but clears its own checks over its counter.

Mr. Untermyer asked Mr. Morgan whether his house carried deposits of "watered stock corporations." Mr. Morgan said he did not quite understand what the attorney meant, and Mr. Untermyer explained that he meant companies transacting business in more than one State. Mr. Morgan said his firm accepted the accounts of any corporation it thought reliable.

"Have you accounts from interstate corporations?" "With any corporation we think is good," said Mr. Morgan.

Mr. Untermyer read into the record a statement that in January there were sixty-six accounts with the Morgan firm with deposits of \$6,113,000 and on Nov. 1 there were seventy-eight accounts having on deposit \$8,968,000.

"Do you think that these great corporations that have their securities scattered broadcast ought to be permitted to make its deposits with a private banker?" asked Mr. Untermyer. "I do," said Mr. Morgan.

STICKS TO STATEMENT ON NEW YORK CENTRAL.

Mr. Untermyer said he referred to no particular instance but asked whether Mr. Morgan thought "as a matter of

COURT'S DECISION SAYS 'CUCKOO ADS' CRIMINAL OFFENSE

Magistrate's Fine for Inserting
Sheets in the Sunday
World Upheld.

PRESENTED A TEST CASE.

Newsdealer Had Contended His
Punishment Was Un-
constitutional.

Judge Foster, in General Sessions, today handed down an opinion affirming the action of Magistrate French in finding a newsdealer, who had inserted advertising matter, the copies of the Sunday World for distribution to subscribers, guilty of disorderly conduct.

By thus affirming the conviction in the Magistrate's Court, Justice Foster puts the capstone on The World's fight against the "cuckoo" who trade upon the circulation of The World's Sunday edition to circulate advertising which is not paid for and which has not received The World's sanction. Justice Foster, from whose decision there is no appeal, thus plainly fixes these misdoings of the "cuckoo" as a misdemeanor, punishable by criminal prosecution.

Samuel Horwitz, a newsdealer at Forty-second street and Ninth avenue, was arrested on Jan. 25 last and charged with disorderly conduct in that he inserted advertising matter between the sheets of the Sunday World. Before Magistrate French his case was fought to bitter lengths by Frank McCoy, his counsel. The Magistrate finally held that Horwitz was guilty of disorderly conduct and the newsdealer was fined \$1.

The Magistrate found him guilty of violation of Section 48, Chapter 9 of the City Ordinances, which reads:

"No person shall throw, cast or distribute in or upon any of the streets, avenues or public places or in front of stoops any handbills, circulars, cards or other advertising matter."

NEWSDEALER SOUGHT TEST CASE DECISION.

The newsdealer, backed by others whom The World had prosecuted civilly for the same offense charged against him, decided to make a test case of his conviction, paid the fine under protest and carried the case before Justice Foster in General Sessions. There it was argued, Assistant District Attorney Dolansky opposing the newsdealer's attorney.

To-day Justice Foster handed down his opinion sustaining the conviction in the lower court in these words:

"The question involved in this appeal, whether under the general ordinance of New York City a newsdealer may distribute advertising circulars within the newspapers they deliver and which the Magistrate answered in the negative, important though it is, does not seem sufficiently novel to justify my adding to the already voluminous tomes of legal lore. To do so would be like repeating that white is white and black is black and such self-evident facts need no frequent re-statement in legal opinions."

APPLICATION OF LAW LEFT TO MAGISTRATE.

"The question here seems plainly enough to me, at least, to have been rightly decided by the Magistrate, even were there no other law applicable than the section of the Consolidation Act which leaves it entirely to the opinions of the Magistrate to determine whether the act constituted the punishable offense commonly known as 'disorderly conduct.'"

"Wherefore I affirm the judgment of the Magistrate and the opinion of the Magistrate is hereby affirmed."

The newsdealer's lawyer had argued that the ordinance held against his client was unconstitutional in the first place and not applicable to the crime complained of in the second.

THIEF WHO STOLE \$85,000 ESCAPES FROM SING SING

Chester W. Yates Vanishes After
Being Let Out of Cell
Early To-Day.

SERVING 21-YEAR-TERM.

Missing Convict Chief Figure
in Plot to Substitute Paper
for Broker's Bond.

Chester W. Yates, one of the men who robbed the aged broker, Aaron Bancroft, in an underground corridor of the Produce Exchange on March 2, 1910, and was serving a twenty-one year term in Sing Sing for the crime, vanished to-day from his place in the strictly ordered routine of the prison in the hour before daylight. He is believed to have scaled the walls, though where or how no official of the prison knows.

When the twelve hundred convicts who are locked behind the walls of Sing Sing were seated at their tables for breakfast, the guards glanced at each other in alarm. Though talking at meals is forbidden, there is usually a subdued buzzing going about the tables—the sound of men whispering behind motionless lips.

Instantly, each guard counted up the twenty-five or fifty men for whom he was responsible. Something had gone wrong. Every convict in the long gray rows knew what it was. But every one of them kept his eye on the plate before him.

Yates was employed in the clothing shop of the prison. His cell was on the tier set aside for second term convicts. He was locked in after dinner last night and the keepers' reports show he was in his cell and acting normally at each inspection during the night. He was let out of his cell at a little after 5 o'clock and took his place in line to march to the wash-house.

KEEPERS BEGIN THE SEARCH FOR YATES.

A messenger was sent for the Warden, and two guards sprang to the stock room, where prisoners have secreted themselves before in their efforts to get away. The slender Yates, who is only twenty-seven years old, was not in any part of the stock house. Warden Kennedy and Head Keeper Connaughton organized keepers and trustees for a fine combed search of every spot within the high gray walls of the prison inclosure.

A squad of keepers armed with rifles was sent scurrying around the landward walls on the outside and three men were stationed in a launch under the walls which rise from the river's edge.

There were three keepers on duty in the prison yard at the time and men in every stony box on the wall.

Warden Kennedy regarded Yates as a very docile criminal. There were no bad conduct marks against him; he worked hard and was good natured. His behavior since his sentence "has been of the same quality which led to his parole at the end of the minimum time for which he had been sentenced for a previous burglary. Having violated the parole, Yates had ahead of him the prospect of serving out the rest of that sentence when his twenty-one-year stint was done.

Yates was captured in San Diego, Cal., last June. One of his confederates, Charles Ross, who had been caught in Winnipeg, Manitoba, gave to the detectives the secret of his hiding place.

MISSING CONVICT PLANNED THE BOND ROBBERY.

It was proved at the trial that Yates, who planned the robbery, and two companions made a careful study of the route taken by Mr. Bancroft in carrying securities from the safe deposit vaults, where they were kept over night, to his office in the Produce Exchange Building. They justified him and substituted worthless papers for the securities in his satchel. Though \$85,000 worth of bonds was reported missing, the amount of those finally recovered was \$21,000 short.

Daniel O'Reilly, who attempted to act as go-between for the thieves in restoring the bonds to the Bancroft firm, was convicted of grand larceny in connection with the transaction and is now serving a sentence on Blackwell's Island.

DID WAITER SELL ARCHBOLD LETTERS TO HEARST AGENT?

Foraker, Who Brings Story,
Won't Vouch for Its Truth
to Senate Committee.

CLAIM \$34,000 WAS PAID.

Alleged That Archbold's Signa-
ture Was Taken by an Alien—
Corroboration Is Lacking.

WASHINGTON, Dec. 18.—Former Senator J. B. Foraker to-day produced a statement before the Senate Campaign Expenditures Investigating Committee prepared by Gilchrist Stewart, purporting to be based on a description by W. W. Winkfield, of how Winkfield and Charles Stump took the "Archbold letters" from the Standard Oil office and sold them to a representative of William R. Hearst.

"Mr. Hearst said yesterday that he did not know how the letters were procured," declared the former Senator. "Such a preposterous story as that you might tell to the marines, but to no one else."

Mr. Foraker said Stewart in 1906 sent him a newspaper clipping in which W. A. Ullman, "attorney for C. F. Taft," was reported to have consulted with Mr. Hearst about the letters before they were published and suggested that Ullman, Mr. Taft and John T. Cronin, the latter formerly connected politically with Mr. Hearst, be called as witnesses.

GOT STATEMENT FROM WAITER IN CHICAGO.

Mr. Foraker declared that about a week ago he had Mr. Stewart go to Chicago, where Winkfield was working as a waiter at No. 228 Webster avenue, and ascertain what he knew. Upon the interview, he said, Stewart had based his report. What that report contained Mr. Foraker proceeded to detail, declaring that he did not vouch for its accuracy. He added that the committee could call Winkfield.

According to the statement presented, Winkfield and Stump noticed a newspaper item about the sale of letters and taking some from the Archbold files tried to sell them, but failed. Finally they wrote a letter to the New York American making an offer and the next day called up. They insisted upon talking to Mr. Hearst, but were contented to meet a "representative" in the "little Savoy" saloon.

As a result of that conference they went the next day to the private editorial office of the New York American, where a man named Eldridge talked to them. They were told that Mr. Hearst stated that they were performing a great public duty. They talked as to the price with Eldridge, wanting \$10,000, but getting a promise of only \$5,000.

SAID THEY WERE TOLD OTHER LETTERS WERE WANTED.

The next day they delivered the letters to Eldridge to be photographed and received fifty \$100 bills.

The statement declared that other letters were wanted and that Winkfield and Stump were given a list of 200 Senators, Congressmen, Judges and Governors, with the assurances that letters from them to Archbold would be paid for well. For one batch of such letters they claimed to have received \$3,000 and for another \$4,000. For the Penrose, Hanna and Foraker letters, the statement said, Eldridge paid them \$2,000.

"Evidently we were the fat cattle," remarked Mr. Foraker. In all, the statement continued, \$34,000 was paid to the two men. For two signatures of Mr. Archbold standing alone, they claimed they were paid \$500. The statement said the signatures were requested of the two men and that they procured them by having Mr. Archbold write his name in an album.

A third man joined Winkfield and Stump, it was said, and the three put a large number of letters in a safety deposit vault.

After 1906 they claimed to have disposed of some Penrose letters to a "representative of Mr. Hearst" for \$4,000, and made an offer to sell all their remaining letters for \$20,000. They disposed of them, for \$2,500 last spring, and negotiations have now been opened for the sale of others the statement said.

Both Winkfield and Stump were employed in Mr. Archbold's office at the time the letters disappeared. Winkfield,

Inspector Sweeney, Named As "Boss" by Graft Witness



GRAND JURY DEMANDS THE REMOVAL OF WRIGHT

Makes Stinging Presentation
About Favors to Hyde and
Others in Tombs.

The John Doe Grand Jury, following Justice Goff's recommendations to investigate alleged irregularities and display of favoritism to men in the Tombs possessed of influence, to-day handed up to Justice Goff its presentation, stinging hot with censure for those held to be responsible for conditions discovered in the prison. The presentation made the following cardinal findings:

That Deputy Commissioner of Corrections William J. Wright is an inefficient public servant; that he showed extraordinary favors to ex-City Chamberlain Charles E. Hyde and bankers Cummins and Reichmann during the incarceration of these men in the Tombs. The Grand Jury demands that Wright be dismissed from office.

That Eduardo Brooker, the reporter of The World who got from Wright the interview expressing Wright's conviction of the innocence of Hyde and his determination to do anything he could "to help a friend," reported Wright correctly in The World in every detail, Wright's sworn denial to the contrary notwithstanding.

That Warden John Fallon of the Tombs is too old to be longer an efficient public servant and that he should either be pensioned or transferred.

REPORTS THREE CASES OF FAVORITISM IN TOMBS.

In its presentation, which covers fourteen typewritten pages, the Grand Jury takes up serially the four points recommended to it by Justice Goff for investigation and report. Upon the most important of these, "Whether certain prisoners have received different treatment from other prisoners in the way of privileges and personal comfort and, if so, by whose direction and for what reason or consideration," the Grand Jury has this to say:

"During the past two years there have been three instances in which a prisoner who has been found guilty of crime by the verdict of a jury has been placed in the rooms known as the 'Warden's Quarters.'"

The presentation then goes on to

MEN WHO PAID POLICE NAME 3 INSPECTORS BEFORE THE ALDERMEN

Former Owner of Hotel Swears He
Paid \$100 Monthly Five Years;
Present Owner Gave \$50,
Including This Month.

ACCUSED POLICEMAN FOX SUSPENDED AND EXAMINED

Waldo Acts Promptly on Amazing
Testimony, Which Includes Use of
"Nick" Hayes's Name by Graft.

Two hotel managers told the Police Investigating Committee of the Board of Aldermen to-day that they had paid money into the hands of a policeman that their places might be protected. Both said they paid Policeman Eugene Fox, now attached to the One Hundred and Fifty-second street police station. One, George A. Sipp, now a real estate and insurance man, said he gave Fox \$100 a month while he ran the Baltic Hotel at One Hundred and Twenty-fourth street and Lexington avenue, and even afterward while he held a mortgage on the place. The other accuser, Thomas Doran, who became assistant manager of the place when Mr. Sipp sold it and its name was changed to the Avanel, said he continued to pay Fox \$50 a month.

"Did you pay him \$50 this month?" demanded Attorney Buckner. The little, mild-mannered witness, who confessed he hadn't slept a wink last night for thinking of the ordeal facing him to-day, stirred uneasily in his chair.

"Yes," he said; "I paid him about the first."

With this statement as a lead, the committee's chief counsel asked specifically of payments each month. The witness told in detail how he had handed to Fox the amount regularly demanded. The place for the payment varied and usually was directed over the telephone. No raids were made under city ordinances, the witness testified.

WALDO SUSPENDS POLICEMAN FOX.

Commissioner Waldo took swift action to-day on the testimony of Mr. Sipp by suspending Eugene Fox.

The Commissioner saw a copy of The Evening World containing the testimony at 1:15 P. M. He read through the report of the testimony and at once dictated the order for the suspension. Inasmuch as the assumption of Sipp that the money went to Inspector Sweeney is not direct evidence, it was understood that the Commissioner would not suspend the Inspector unless Fox should make such a charge of his own knowledge.

Fox reached Headquarters shortly after 3 o'clock. He reported to the chief of the Inspector's Schurbergher, who took him immediately to First Deputy Commissioner McKay, who will conduct the police investigation of his case.

"Don't ask me what I am here for," Fox said to reporters. "I can't say a word now."

Eugene Fox was made a policeman Nov. 17, 1896. He was sent to the West One Hundred and Fifty-second street station June 23, 1909. He has never been on plain clothes duty since Commissioner Waldo has been in charge of the department.

The witness' stories were perfect in corroboration. Mr. Sipp, usually, distinguished looking, was diffident at first, but warmed up under his own testimony, and he told a story of police graft which furnished sensation after sensation.

Almost as startling as his story of his monthly payment of graft to Policeman Fox was his bringing of the names of Nicholas J. Hayes, former Sheriff and former Fire Commissioner, and a Tammany district leader into his story. He also swore that Magistrate Keyran O'Connor was named by his persecutor. The names of Inspector Sweeney and

his predecessors in the district, Inspectors Thompson and Hussey, came frequently into his testimony.

ALL POLICE CAPTAINS FROM HEARING OF EVIDENCE.

Alderman Curran, at the opening of the session called for Police Captain O'Rourke.

"All other police captains in the room are excused until our next session and they may leave now," announced Mr. Curran.

There was no hurried exodus from the room.

"All police captains are requested and directed to leave the room," said Mr. Curran.

Half a dozen captains moved from the room in a body.

"Are there any captains now in the room?" asked Mr. Buckner.

There was no answer as the counsel for the committee looked over the room.

Again Mr. Buckner asked for police captains and a man in citizen's clothes rose in the rear of the room.

"Are you a police captain?" he asked.

The man, Capt. Liebers, admitted he was. He was then ordered to leave the room.

Mr. Buckner then called Sipp.

Mr. Buckner asked the witness if he realized he was under oath—just as in a court of justice. By questions he drew from the witness that he operated a hotel from 1900 to 1910. "An ordinary hotel, like any other," Mr. Sipp described it.

"Did you require marriage licenses, baggage of your transient guests?" asked Mr. Buckner.

"No."

"Was your place raided as a disorderly house by the police?"

"Some ten or twelve times."

"Were there any convictions as a result of these raids?"

"No."

"Whom did you pay it to in the last five years?"

"Generally to Eugene Fox."

"Who is he?"

"Then he was a plain clothes man."

Home Comforts

You might as well wear a pair of shoes too small or too large, too light or too heavy or too cheap or too expensive as to live in a house, flat or apartment that did not fit your purpose and pocketbook.

5,428

WORLD "TO LET" ADS. LAST WEEK, 1,637 More than the Herald, Times, Sun, Tribune and Press COMBINED.

Quite often the success of a business enterprise depends largely upon the location and other features of the store, office, floor, loft or factory occupied.

Real: Let World Ads. Guide!

World Building, 212 Broadway, N.Y. City. Always open. Both with private rooms. 212 Broadway, N.Y. City. Always open. Both with private rooms. 212 Broadway, N.Y. City. Always open. Both with private rooms.

(Continued on Fourth Page.)